Fleet Card

DoN APC Conference
Government Commercial Purchase Card
Atlanta, GA
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Agenda

- Purpose, Advantages & Types of Cards
- Command Relationships and Key Roles
- IT Systems
- Process Flow
- Audit Update
- Card Program Comparisons
- Credit Limits
- Issues / Concerns
- Initiatives
- Points of Contact

Purpose, Advantages and Types of Cards

- Purpose
  - Method to pay for fuel and maintenance of DOD owned / leased vehicles (excluding GSA)
- Advantages
  - DESC tax recoup (avg. 2.3M per year for DOD)
  - Minimal rebates (avg. 50k per year for DOD)
  - Capture of maintenance details/provides Fuel Asset Visibility
- Types of Cards (Activity decides)
  - Fuel Only Card
  - Fuel + Maintenance/Service Card
  - Cards are Assigned to:
    - **Vehicle** – approximately.29,388
    - **Organization** – approximately 3,551
      - Organizations may assign a particular card to a driver
      - **Usually** assigned to more than one driver or vehicle

Command Relationships and Key Roles

- US Bank – since 30 Nov 98
  - Voyager and Visa are card providers
  - VISA 1% for Overseas; US Bank
  - Manual processing for VISA; No Split Billing
  - Both are under GSA contract GS-23F-98002, Task Order UA01
- DoD Program Manager - Defense Energy Support Center (DESC)
  - Award and administer the DoD Fleet Credit Card Task Order
  - Provide DoD and others with comprehensive energy solutions
  - Negotiate fuel discounts
  - Coordinate Fleet Commander Enrollment/Sign-up
  - Provide over arching guidance to include split billing
- Naval Operational Logistics Support Center (NOLSC)
  - Interfaces w/DESC regarding system/technical issues regarding the Navy fuel and accounting systems (FAS/Stars)
  - Formerly NAVPET
- NAVFAC was CPM for Navy until 1 Oct 03

IT Systems

- Voyager Fleet Commander
  - Management tool that provides:
    - Transaction data, reports, and ad hoc query tool
    - Screening for abuse/misuse
  - Web-based Target Date is Dec 04
- Account Commander On-Line (Web Based / Real Time)
  - On-line account management tool
  - Account, card, POC maintenance
  - Data/Report Cdr – Dec 04 Target Date
- DESC Fuels Automated System (FAS) Enterprise System
  - Web based
  - Weekly transactional data
  - Billing information
  - Used to bill end-user directly via DFAS Columbus

Process Flow

- Card user presents Fleet Card for fuel and non-fuel maintenance and services
- Voyager splits out fuel purchases from non-fuel charges. Voyager sends monthly statement to customer (show both fuel and non-fuel purchases)
- Activities verifies all (fuel and non-fuel) purchases manually
- Voyager pays service station: Bills/Invoices DESC for fuel purchases (weekly) and customer for non-fuel purchases (monthly)
- DESC reimburses the bank for fuel (pump price) and interfund the activities, at a standard price, through the MILSBILS process (monthly)
- Activities pull FES obligation file and load into STARSFL
- Customers certifies non-fuel items and forwards to their local OPLOC for payment

Audit Update

- NAVAUD Recommended Action — ECD
  - Develop & issue Navy Instruction — 30 MAR 04
    - NAVFAC & EBUSOPSOFF
  - Develop APC Training — 30 SEP 04
    - NAVFAC & EBUSOPSOFF
  - Develop Card User Training — 30 SEP 04
    - NAVFAC & EBUSOPSOFF
  - Issue interim guidance to re-emphasize the NAVFAC P-300 requirement regarding the purchase of regular-octane grade gasoline. — 31 DEC 03
    - NAVFAC

Card Program Comparisons

- Second highest number of card users/holders (Travel Card has most)
- Least number of accounts and APCs
- Least number of charge volume
- Least number of transactions
- Most amount of credit exposure ($22.4B)

Credit Limits

- Most gas pumps are set for gallon limits (50 gal)
- If unit/activity sets no limit, Voyager imposes spend limits * (22,399 cards)
- 3 transactions in 24 hour period
- Or $1,000 per month … whichever comes first
- US Bank/Voyager will then activate:
  - Soft Decline
  - Hard Decline

*Unless customer specified “unlimited” (312 accounts)

Issues / Concerns

- Unstructured Hierarchy
  - Lack of structure/oversight
- Voyager Fleet Commander Access
  - NMCI issues
  - Field implementation
- Voyager APC / User Data Incomplete & Out of Date
- Credit Exposure (22.4B)
  - Some cards with out limits
  - Limits not based on historical spend data
- Inactive / Infrequently Used Cards
  - No control / No monitoring

Initiatives

- Proposed hierarchy structured being developed
  - Input to date from DESC / CNI / NAVFAC
  - Identify and meet with other big players
  - Finalize hierarchy and provide to bank
- Voyager POC data
  - Verification & update completed
  - DESC request (email field)
- Credit Exposure: $22.4B
  - Tie to actual spend patterns
  - Assign credit limits where there are none
  - Only after activity has been notified if no adverse affect on critical mission accomplishment
  - Infrequently Used Cards: FY03 – 2,451
  - Identify / review and close cards of non-deployable activities

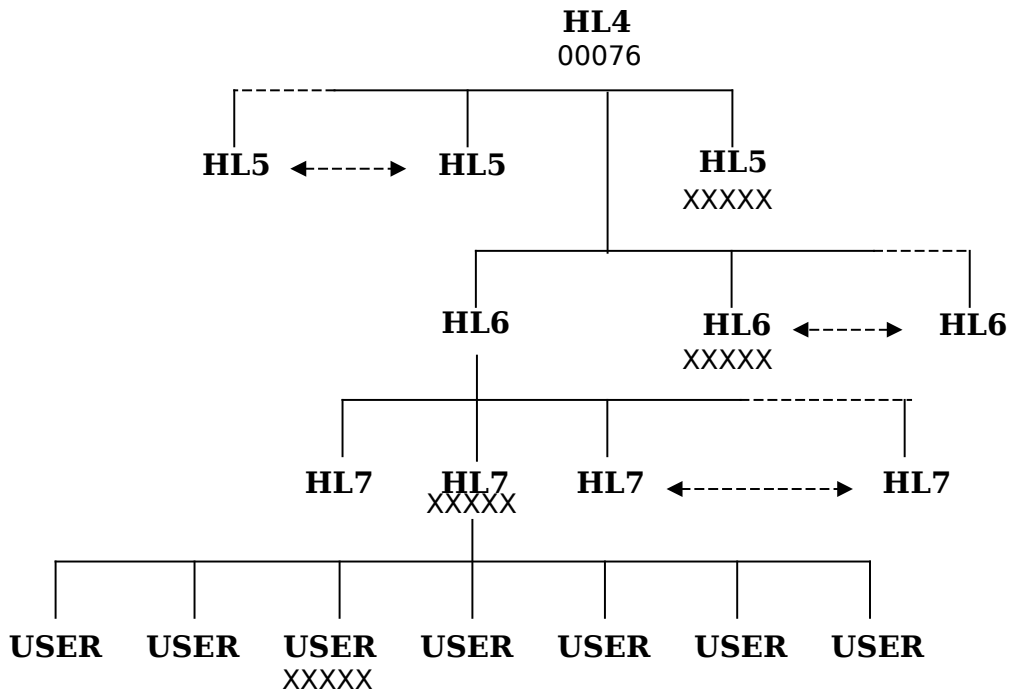
Initiatives [cont'd]

- Develop Instruction / Internal Controls
  - Review **spend limits** and identify appropriate actions
  - Review **delinquencies.**
  - Cards are shut off after 90 days except at time of war or national disaster.
  - Review **span of control** and identify appropriate actions
  - Review **infrequently used cards** and identify appropriate actions
  - Identify who should assume Level 4 APC roles
- Develop Role-based Training (APC, Card User, Certifying Official)
- Partner with DESC on eFleet
- Improved Communications
  - Quarterly PMR with US Bank/Voyager/DESC
  - APC Conference Fleet Card breakout sessions
  - Fed Fleet Conference Navy breakout sessions
  - GSA Smartpay Conference Navy breakout sessions
  - Financial Supply Chain Conference

Proposed Hierarchy Structure

Hierarchy String

Xxxxx	xxxxx	xxxxx	00076	XXXXX	XXXXX	XXXXX	XXXXX



Current Hierarchy Structure

Level 1 = All Federal

Level 2 = DOD

Level 3 = Navy/Army/Air Force/Marines

Level 4, 5, 6, 7 = No relevant organization hierarchy structure

Federal	xxxxx	Level 1
DOD	xxxxx	Level 2
DON	xxxxx	Level 3
Major Claimant	**00076**	**Level 4**
Region	xxxxx	Level 5
Certifying Official	xxxxx	Level 6
Activity APC	xxxxx	Level 7